

## **SPR THEORETICAL RESERVE PROGRAM**

The printout, labeled on the top line, “SPR DATA THEORETICAL RESERVE PROGRAM”, shows the development of the average remaining life and theoretical or computed reserve. Given the age of the plant investment (AGE), the theoretical survivors are computed from the adjusted gross additions of the SPR data base (ADDITIONS) and the survivor factors (SURV FACTR) for the given curve and life (8<sup>th</sup> line from the top, “DISPERSION” AND “AVERAGE LIFE”). The theoretical vintage survivors are then adjusted to total the actual book balance (ADJ SVG PLANT).

The adjusted vintage survivors are then multiplied by the vintage reserve ratios (RATIO)\*. The products (RESERVE) of the vintage survivors and vintage reserve ratios are summed to give the total data set theoretical reserve. The average remaining life for the total data set is determined by multiplying the vintage survivors by the vintage average remaining lives, summing the products, and dividing that sum by the total data set book balance. Refer only to the column titled “2001 EOY” for the average remaining life value.

The total data set average remaining life can also be derived by dividing the theoretical net unrecovered plant investment by the whole life accrual (investment/average service life).

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\* Theoretical reserve ratio =  $(1 - \text{ASL} / \text{ARL})$   
ASL = average service life  
ARL = average remaining life